

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 662 – SB 770

February 27, 2018

SUMMARY OF ORIGINAL BILL: Reduces, from 2.5 percent of the total number of voters casting votes for gubernatorial candidates in the most recent election to 5,000 registered voters, the number of signatures of registered voters required on a petition to form a minority party. Requires a political party's candidate be elected to a statewide office in the past six calendar years and have received at least 1.5 percent of the total number of votes cast for gubernatorial candidates in the most recent election in order for the party to be considered a statewide political party.

CORRECTED FISCAL IMPACT OF ORIGINAL BILL:

Increase State Expenditures –

Exceeds \$400,000/FY19-20 and Every Four Years Thereafter

Increase Local Expenditures –

Exceeds \$1,000,000/FY17-18 and Every Four Years Thereafter*

Exceeds \$400,000/FY18-19 and Every Two Years Thereafter*

SUMMARY OF AMENDMENT (013404): Deletes and rewrites all language after the enacting clause such that the only substantive change deletes provisions applicable to being considered a statewide political party.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Increase State Expenditures – Not Significant

Increase Local Expenditures – Not Significant

Other Fiscal Impact – To the extent a recognized minor party receives the required votes to become a statewide political party in the following election, there will be an increase in state expenditures of \$400,000 per state primary election and local expenditures ranging in \$400,000 - \$1,000,000 per local primary election.*

Assumptions for the bill as amended:

- According to vote totals from the 2014 gubernatorial election, 1,353,728 votes were cast statewide for gubernatorial candidates.
- Under current law, pursuant to Tenn. Code Ann. § 2-1-104, in order to be a recognized minor party, 33,843 (1,353,728 votes x 2.5%) signatures of registered voters would be required on a petition filed with the Coordinator of Elections.
- The proposed language would reduce the number of signatures required to 5,000.
- Pursuant to Tenn. Code Ann. § 2-1-104, in order for a political party to be considered a statewide political party, the party's candidate is required to be a candidate for office which voters statewide would vote and receive five percent of the votes cast for gubernatorial candidates in the last gubernatorial election.
- Several statutes govern the requirements and actions of statewide political parties: pursuant to Tenn. Code Ann. § 2-13-202, statewide political parties must nominate candidates for Governor, General Assembly, United States Senator, and United States House of Representatives by primary election at the regular August election; pursuant to Tenn. Code Ann. Title 2, Chapter 13, Part 1, statewide political parties must have a state executive committee, which shall then create a county primary board; and pursuant to Tenn. Code Ann. § 2-13-203, the county primary board notifies the county election commission if they wish to nominate their candidates for office by primary election.
- The increase in expenditures for holding primary elections for local office would vary from county to county and would be dependent upon if a county currently held a primary and only was required to add a statewide political party to the ballot, or if the county did not previously conduct a primary for local office and a newly-created statewide political party required such a primary to be held.
- Based upon information provided by the Division of Elections, it is reasonable to assume the statewide mandatory increase in local expenditures for holding primary elections for local offices is estimated to exceed \$1,000,000 beginning in May 2018 and occurring every four years thereafter.
- The statewide mandatory increase in local expenditures for holding primary and general elections in August and November is estimated to exceed \$400,000 beginning in August 2018 and occurring every two years thereafter.
- In years with a Presidential Preference Primary, there will be increased state expenditures for costs associated with additional primaries and longer ballots and newspaper notifications. The statewide increase in state expenditures is estimated to exceed \$400,000 beginning in March 2020 and occurring every four years thereafter.
- Reducing the number of signatures required to become a recognized minor party will not result in any significant increase in state or local expenditures; however, in the event a recognized minor party receives the votes required to become a statewide political party in the following election, it would result in an increase in state and local expenditures for primaries.

**Article II, Section 24 of the Tennessee Constitution provides that: no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in dark ink that reads "Krista M. Lee". The signature is written in a cursive, flowing style.

Krista M. Lee, Executive Director

/jrh